



## FOR IMMEDIATE RELEASE

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# AUDIT FINDS MTA SPENT TENS OF MILLIONS IN LEGAL FEES WITH INSUFFICIENT MONITORING DURING PAST FIVE YEARS

## *Total Legal Fees for Six Cases Topped \$80 Million*

**Los Angeles**—The Los Angeles County Metropolitan Transportation Authority (MTA) has spent tens of millions of dollars in legal fees in recent years and had few controls in place to evaluate or limit the expenditures, according to an audit released by the agency's Inspector General. The audit was conducted in response to a motion introduced by Los Angeles County Supervisor Mark Ridley-Thomas and Los Angeles Mayor Antonio Villaraigosa at a meeting of the MTA Board of Directors in February 2010.

"Money for lawyers had been leaving MTA's hands with the speed of a runaway train," said Supervisor Ridley-Thomas. "We now have stronger controls in place, but we must continue to refine them to ensure that litigation costs are weighed more carefully in all future cases."

The audit notes eight cases in which spending on legal fees exceeded \$1 million, and additionally found that during the five-year period from January 2005, to February 2010, MTA:

- failed to obtain Board approval for expenditures in excess of \$200,000 for services provided by outside legal counsel, consultants and experts—a violation of MTA Procurement Policy;
- did not have written risk assessments—a key tool to determine whether cases should be settled or litigated—in litigation case files;
- lacked evaluation and cost management plans for cases;
- did not have policies or procedures for communicating litigation information to the Board.

The audit contains more than 20 recommendations for better management of litigation. They include creating spending caps for cases and requiring Board approval of expenditures more than \$200,000 by outside law firms and consultants.

The Transportation Division of County Counsel, which acts as MTA's counsel, adopted new case management protocols in February 2010. That month, Supervisor Ridley-Thomas and Mayor Villaraigosa called for an audit, as did Los Angeles City Controller Wendy Greuel.

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